Text 1: BP sets target to create five unicorns by 2025

BP has set up a subsidiary over the past year to create five $1bn businesses by 2025 in an attempt to tackle what the UK oil and gas major calls the "dual challenge" of providing more energy with fewer carbon dioxide emissions. Launchpad, an entity that sits alongside BP's venture capital unit, is focusing on building large-scale businesses that can run parallel to existing hydrocarbon divisions and specialise in digital and low-carbon technologies and the circular economy. BP Ventures invests small sums and takes minority stakes in new energy businesses, for preferential access to disruptive technologies, maintaining an arm's length relationship with these companies.

But Launchpad will be a majority owner of businesses its management believes it can transform into large global companies, which can sit within BP's asset portfolio. Some will be spun out of the company's own research and development division. "We are trying to build unicorns in the energy business," said Stephen Cook, managing partner of Launchpad and chief commercial officer in BP's technology division. "It's a bit of a cliché, but the term is a proxy for scale," Mr Cook said. "Without this, you are not able to maximise impact [and accelerate the energy transition]," he said. "We needed to augment the capability we already have … to build our own new businesses."

Potential $1bn companies include Lytt, a subsurface analytics company, and Stryde, a seismic technology business, both of which were developed to boost the productivity of oil wells. Launchpad is now looking at wider applications for these technologies across lower-carbon energies and the potential to sell its services to other groups. Other companies in development include a predictive wind energy infrastructure maintenance platform and a carbon management and offsetting app, both of which BP plans to launch in the first three months of this year.

Oil and gas companies are under growing pressure from climate activists and investors to pivot towards new, cleaner businesses and propel the world's shift away from fossil fuels. Carbon emissions, mostly caused by the burning of hydrocarbons such as oil and coal, trap heat in the atmosphere, which leads to climate change.

Rob West, founder of consultancy Thunder Said Energy, said rather than building wind or solar projects, incubating and scaling new businesses that draw on and expand on their existing technologies would give them a better advantage. "These are more proprietary, the returns are higher, and they actually accelerate the pace of energy transition. We've screened 65 of these technologies … and the leading examples are extremely exciting," Mr West added. Yet the $100m BP has invested already in Launchpad companies is still a fraction of the $15bn-$17bn it spends annually, primarily on its core oil and gas.

Still, CB Insights' data show the venture units of BP, Royal Dutch Shell, Total, Chevron and Saudi Aramco are the most active among energy groups. Spending has risen eight-fold between 2015 and 2018 with these companies set to participate in deals worth more than $1bn in 2019.

Questions 1-7
Match the words 1-7 with words or expressions that have the same meaning in A-M

1. disruptive (line 6)
2. spin out of (line 9)
3. proxy (line 12)
4. augment (line 14)
5. launch (line 20)
6. pivot (line 21)
7. fraction (line 30)

A dangerous
B develop from
C establish
D hindering from continuing as usual
E increase
F introduce
G move faster
H organization
I push
J small part
K turn in the opposite direction
L substitute
M unoriginal comment

Questions 8 - 10
Decide whether the following statements about the content of the article are True or False

8. BP is investing in a wide variety of technologies that may replace fossil fuels.
9. The company has announced that it will stop production of fossil fuels by 2025.
10. BP is responding to climate activists and investors who want cleaner power.

Questions 11 - 16
Choose the best answer to each question.

11. What does BP hope that its five unicorns will help to produce?
a) cheaper oil and gas
b) electric vehicles
c) clean energy
d) more oil

12. What role do BP Ventures and Launchpad have in the company?
a) advertising and marketing
b) business development
c) public relations
d) production

13. According to Stephen Cook, why is it important for the new companies to be unicorns which are large and powerful?
a) to maximise profits for BP
b) to attract the best researchers
c) to speed up the change to clean energy
d) to produce clean energy

14. What were Lytt and Stryde developed to do?
a) make oil wells produce more
b) produce low-carbon energy
c) sell services to other groups
d) look for oil wells

15. What does Rob West believe BP should focus on?
a) removing carbon from the air
b) developing technology it already has
c) wind and solar projects
d) consultancy services

16. How much is BP investing in Launchpad companies compared with its investment in oil and gas?
a) too little
b) about the same
c) a lot more
d) significantly less

Text 2: Flying taxi start-up raises $240m from existing investors led by Tencent

Lilium, a German flying taxi start-up, has raised $240m from existing investors led by Chinese technology group Tencent to fund the next stage of its growth. The funds will be used to prepare for the large-scale production of a five-seater electric aircraft, powered by 36 fans, that Lilium intends to use to run a city-to-city taxi service from 2025.

The $240m falls short of the $500m Lilium was reported to be seeking last autumn, when it was also expected to bring in new investors. But high-profile problems at tech groups such as WeWork, and the extremely uncertain investment climate worldwide, have made fundraising more challenging for start-ups. Sequoia Capital, the US tech-focused venture capital firm, wrote earlier this month to start-ups it had invested in to warn that private fund raisings could "soften" significantly.

"We are super happy that we were able to close this round earlier," said Daniel Wiegand, Lilium's co-founder and chief executive. The latest fundraising will be enough to support Lilium for at least the next 12 months, said Christopher Delbrück, chief financial officer, who added he was confident the company would attract new investors in the next financing round. "We took what we thought was good funding right now with a number of investors who know us very well," he said.

Including the most recent funding, Lilium has raised $340m since the company was founded by four engineers in 2015. The latest round gives the company a valuation of between $750m and $1bn. The founders still own the biggest stake in the business, although not a majority, and there was no plan to float the company before it brings its aircraft into service, Mr Delbrück said.

Lilium aims to build fleets of aircraft and operate an on-demand air taxi service between regional cities. It is tapping into a market that has attracted investment from companies such as Uber, Airbus and Boeing, and is predicted by Morgan Stanley to reach about $1.5tn a year by 2040. Toyota, the Japanese automaker, earlier this year invested $394m in California-based flying taxi company Joby, which has developed a helicopter-like vehicle. Lilium, in contrast, is developing an aircraft that has fixed wings with rotor fans that can tilt downwards for vertical take off and then forwards for flight. The extended fixed wings give the aircraft extra lift, which allows it to reach a range of 300km.

Mr Wiegand said the company intended to start producing aircraft for certification around 2024, which would also help to establish the manufacturing processes required to produce at scale. Regulators around the world had moved quickly to establish certification regulations for urban air mobility vehicles, and Lilium's aircraft would be developed according to these safety standards, Mr Wiegand said.

The group was planning to launch an on-demand taxi service in 2025 in two or three regions. Lilium, which employs 400 people, will hire commercial pilots for its first services. Tencent, a global tech giant and investor, provided the majority of the financing alongside Atomico, the investment firm founded by Niklas Zennstrom, LGT of Switzerland and Germany's Freigeist. Tencent is seeking synergies across its investments as part of its strategy to expand its cloud services business. Many of its portfolio companies are encouraged to use its cloud services. Delbrück said this was being discussed but it was "an option for us not an obligation".

Questions 17 - 23
Match the words 1-7 with words or expressions that have the same meaning in A-M

17. raise (line 1)
18. valuation (line 16)
19. fleet (line 19)
20. tap into (line 20)
21. certification (line 26)
22. regulator (line 28)
23. synergy (line 35)

A. use and take advantage of
B. a statement of what a company is worth
C. proof
D. combined power
E. government branch that make rules and monitor companies
F. collect
G. official rules
H. the process of finding investors
I. decline in value
J. group of vehicles controlled by one company
K. having parts that match each other
L. official document that says something is allowed
M. repair

Questions 24 - 26
Decide whether the following statements about the content of the article are True or False

24. Lilium has raised all of the money it needs to start producing a flying taxi.
25. Lilium is currently the only company actively developing a flying taxi.
26. Many countries around the world are prepared to approve flying taxis.

Questions 27 - 31
Choose the best answer to each question.

27. What has made it difficult for the German company Lilium to reach its fundraising target?
a) problems with regulations
b) the pandemic
c) strong competition from a Chinese rival
d) uncertainty about the economy

28. How long will the current funds last?
a) only a month
b) until the end of the pandemic
c) about a year
d) half a year

29. When does Lilium plan to make shares available for public trading?
a) after it starts service
b) later this year
c) in 2024
d) in 2040

30. How is the Lilium vehicle different from the Joby vehicle?
a) The Lilium vehicle has no pilot.
b) The Lilium vehicle is like a helicopter.
c) The Lilium vehicle has fixed wings.
d) The Joby vehicle has a longer range.

31. According to the article, what does Lilium need to consider when it starts producing a fleet of vehicles?
a) how to train pilots
b) safety rules around the world
c) how to attract customers
d) how to be able to scale up quickly

Text 3: EU and US carmakers warn 'weeks away' from China parts shortage

Please note: this text was written in 2020, during the corona crisis.

Executives at several carmakers and motor parts suppliers have warned that plants in Europe and the US were only weeks away from being forced to close as disruptions caused by the coronavirus outbreak in China rippled through the global manufacturing supply chains. The warning came as Hyundai said on Tuesday that it had had to shut down all its car factories in South Korea after running out of components from China. "There is a concerted effort to mitigate it before it really bites," said a senior director at one global car group, adding that its plants had three to four weeks to remove Chinese parts from their supply lines or risk halting production as well.

Carmakers are reliant on a global network of suppliers, with parts originating in China often passing through companies in several countries before being placed into vehicles at factories in Europe or the US. "We are working closely with our suppliers and customers to minimise any disruptions," said car parts manufacturer Continental, which runs 50 sites in China, and makes key parts for most major European carmakers.

The disruptions show how the coronavirus is wreaking havoc in supply chains across sectors, notably in the vital tech sector, as travel restrictions have prevented normal resumption of work. Many companies have said they expect to resume production in China later this year in accordance with guidelines from authorities, but the plan could be reviewed if the coronavirus continues to spread.

Analysts expect the impact on car sales and parts procurement in China from the coronavirus outbreak to be bigger than during the Sars outbreak in 2003 because the world's second-largest economy has become a much bigger manufacturing hub for the motor industry, including electronic parts. "Restrictions on movement and other measures have raised the risk of disruption to supply chains, and we see potential for a stalling in automobile production within China," analysts at Nomura said. "We also see a risk that supply chain issues could have knock-on effects on production in Japan and elsewhere in Asia."

"It's almost impossible to know where the pinch points will be," said Justin Cox, head of global production at LMC Automotive. "We just don't know right now how big the problem is or how long this will go on for." He added: "A lot of carmakers will have back-up supply options, so they can switch suppliers. But if there is such a loss of output globally, there might not be enough to go around. If it does run out, they will have to stop."

Japanese carmaker Nissan on Tuesday said it was considering extending a shutdown of its joint-venture operations in China, in line with other carmakers including Toyota, Honda and Ford. Volkswagen, which operates 15 jointly owned plants and employs 100,000 staff in China, insisted that its supply chain was on track to be fully functional in time for start of production, and planned deliveries to customers remained unchanged.

Questions 32 -37
Find words in the article which match these definitions. The definitions are given in the order in which the words appear in the text.

32. involving many people working together in a determined way
33. reduce the harmful effects of something
34. depending on someone or something
35. starting something again after it has stopped
36. the slowing down or even stopping of a process
37. production

Questions 38 - 45
Decide whether the following statements about the content of the article were True or False at the time the article was written.

38. Some car plants in Europe have been forced to shut down production due to a shortage of parts from suppliers in China.
39. The car industry is tightly connected by global supply chains.
40. Continental has had to shut down all of its plants in China.
41. It is not yet known exactly when production will restart at plants in China.
42. The disruption being caused by the coronavirus is not as great as that caused by the Sars outbreak in 2003.
43. No one knows how big the disruption will be or for how long.
44. Nissan has already shut down its operations in China.
45. Volkswagen is the biggest car manufacturer in China.